

LEE BEYER
DISTRICT 6



OREGON STATE SENATE
900 COURT ST NE
SALEM, OR 97301

Chair Susan Ackerman
Comm. John Savage
Comm. Stephen Bloom
Oregon Public Utility Commission
(Sent Via Email)

October 13, 2013

RE: Advice No. 13-10

Chair Ackerman and Commissioners Savage and Bloom:

As you are aware fossil-fuel electricity generation and gasoline/diesel powering of vehicles are the two largest sources of carbon emissions. With the Commission's leadership, Oregon has made considerable progress in reducing generation related emissions. However, to reach the state greenhouse gas reduction goals set in HB 3543 we also need the Commission's assistance in promoting vehicular switching to less carbon polluting fuels. That's why the Legislature passed SB 844 in the past session.

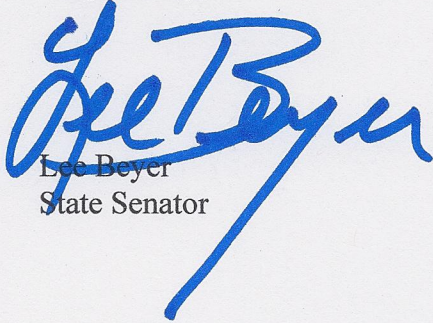
SB 844 was intended to provide the Commission with more flexibility than traditional pure economic regulation in addressing proposals such as Northwest Natural's filing to add a Large Volume Non-Residential High Pressure Gas Service Rider to various rate schedules. While this proposal provides clear benefits to those customers who would be direct users of the revised schedules, it also provides indirect benefits to others customers and Oregonians in general.

Clearly, reducing greenhouse gas emissions helps meet our environmental goals but it also addresses general economics as well. Climate scientists have projected that continued increases of carbon in the atmosphere will cause significant changes in the Northwest climate likely leading to erratic weather patterns and, most importantly, lower snow packs. Such changes may reduce the availability of hydro-powered generation and create a greater demand for fossil-fuel generation. Changing weather patterns may also cause problems with installed renewable generation. At the least, the reduction of hydro-generation will limit the use of that resource for system balancing needs.

It has been noted that fueling vehicles with natural gas, at today's gasoline/diesel prices can save a customer as much as 60% on fuel cost as well as reducing maintenance and equipment replacement cost. Such savings on the commercial side can save consumers

money in product or service purchases. Indirectly, encouraging a large shift away from traditional vehicle fueling with gasoline/diesel is likely to put downward economic pressure on those fuel prices which will save money for those who chose to continue use of those products. It presents a win-win proposition for every Oregonian. But we have to start somewhere to incent the installation of the necessary infrastructure to allow such a transition. I believe the proposal embedded in Northwest Natural's Advice No. 13-10 filing is a reasonable start and encourage the Commission's favorable consideration.

Respectfully,

A handwritten signature in blue ink, appearing to read "Lee Beyer". The signature is stylized and written over the printed name and title.

Lee Beyer
State Senator